

Message Text

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PAGE 01 WARSAW 01386 131536Z

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SUBJECT: WISNIEWSKI VISIT: BUSINESS FACILITATION ISSUES

REF: (A) STATE 47427; (B) WARSAW 1367

COMMERCE FOR BEWT/LOTARSKI

1. SUMMARY. ALTHOUGH GOP HAS NOT YET RESPONDED ON SOME OF COMMITMENTS MADE DURING THIRD SESSION OF JOINT TRADE COMMISSION TO EXAMINE CERTAIN BUSINESS FACILITATION ISSUES, PROGRESS HAS BEEN ACHIEVED IN THIS AREA AND ACCREDITED U.S. FIRMS--OFTEN QUIETLY WORKING OUT THEIR PROBLEMS THROUGH THEIR OWN CHANNELS--SEEM REASONABLY SATISFIED. EMBASSY RECOMMENDS THAT PROBLEMS CONNECTED WITH EMPLOYMENT OF POLISH NATIONALS IN OFFICES OF U.S. COMPANIES BE RAISED WITH WISNIEWSKI, IN ADDITION TO PENDING COMMITMENTS. ON SAN FRANCISCO, RECENT REMARKS BY POLISH OFFICIALS LEAD US TO BELIEVE THAT POLES FINALLY INTEND TO MOVE FORWARD ON OPENING THEIR CHAMBER OFFICE FOLLOWING WISNIEWSKI'S TALKS IN WASHINGTON. WE SUGGEST POLES BE ENCOURAGED TO DO SO, AND, IN THIS CONTEXT, RECOMMEND NECESSARY STEPS BE LIMITED OFFICIAL USE

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PAGE 02 WARSAW 01386 131536Z

TAKEN IN WASHINGTON TO LIFT CLOSED ZONES RESTRICTIONS.

END SUMMARY

2. U.S. OFFICES IN POLAND.

FOUR ACCREDITED OFFICES OF U.S. COMPANIES ARE NOW OPEN AND RUNNING IN WARSAW: CDC, IBM, SINGER, AND DOW CHEMICAL. MONSANTO WILL OPEN OFFICIALLY ON JUNE 1; HEWLETT-PACKARD HAS NOT YET OPENED, APPARENTLY DUE MAINLY TO INABILITY TO FIND SATISFACTORY QUARTERS. PULLMAN, INC. RECEIVED PROMPT CONSIDERATION OF ITS APPLICATION AND RECENTLY RECEIVED LICENSE FOR COMMERCIAL OFFICE (THE SECOND AFTER DOW). PULLMAN HAS FOUND OFFICES AND HOUSING SPACE WILL OPEN SOON, POSSIBLY DURING FIRST WEEK IN APRIL WHEN VISIT BY PULLMAN CHAIRMAN CASEY TENTATIVELY PLANNED. OFFICE WILL SERVE SUCH PULLMAN DIVISIONS AS SWINDELL-DRESSLER AND M.W. KELLOG. (FYI. MFT OFFICIALS TELL US APPROVAL OF INTERNATIONAL HARVESTER REQUEST FOR OFFICE IS ASSURED. IH RECENTLY DECIDED TO OPEN TECHNICAL OFFICE, HERE, BUT FORMAL APPLICATION NOT YET SUBMITTED. ALSO, FIRST NATIONAL BANK OF CHICAGO OFFICIALS WERE TOLD HERE LAST WEEK THAT MINISTRY OF FINANCE APPROVAL OF BANK'S APPLICATION FOR REPRESENTATIONAL OFFICE IN WARSAW--THE FIRST FOR A WESTERN BANK--WILL BE APPROVED IN MATTER OF FEW WEEKS. BANK OFFICIALS ASKED THAT THIS INFORMATION BE KEPT WITHIN USG FOR TIME BEING SO AS NOT TO APPEAR TO BE PRESSURING GOP.)

BOTH PULLMAN AND FIRST NATIONAL BANK WILL APPOINT U.S. NATIONALS AS RESIDENT MANAGERS OF WARSAW OFFICES. THESE WILL BE FIRST U.S. NATIONALS RESIDENT HERE IN CONNECTION WITH ACCREDITED OFFICES, ALTHOUGH THE TWO U.S. FIRMS DOING TURN-KEY CONSTRUCTION PROJECTS HERE NOW (ALAN SCOTT AND EPSTEIN) HAVE NUMEROUS U.S. CITIZENS ASSIGNED TO THEIR OFFICE AND CONSTRUCTION STAFFS.

3. FACILITATION ISSUES.

EMBASSY UNDERSTANDS THAT VARIOUS GOP MINISTRIES CONCERNED HAVE BEEN REVIEWING POINTS RAISED BY U.S. SIDE DURING THIRD SESSION OF TRADE COMMISSION. HOWEVER, WE HAVE NOT LEARNED OF OUTCOME AS YET, PERHAPS DUE TO POLISH DESIRE TO SAVE ANY CONCESSIONS IT MIGHT BE PREPARED LIMITED OFFICIAL USE

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PAGE 03 WARSAW 01386 131536Z

TO MAKE FOR A WORKING GROUP SESSION ON ALL PENDING MATTERS. EMBASSY RECOMMENDS THAT, DURING TALKS IN WASHINGTON, FOLLOWING POINTS OF INTEREST TO US BE RAISED WITH WISNIEWSKI:

(A) VISA FEES. AS DEPARTMENT AWARE, WE HAVE BEEN ATTEMPTING FOR AT LEAST A YEAR TO GET GOP TO AGREE TO RECIPROCAL ELIMINATION, OR REDUCTION AT LEAST, OF ALL NON-IMMIGRANT VISA FEES (STATE 25940, WARSAW 27, AND PREVIOUS).

IN VIEW OF LACK OF RESULTS AND RESULTING INEQUITIES (E.G., U.S. BUSINESSMEN HAVE PAID \$14.50 FOR SINGLE-ENTRY POLISH VISA WHEREAS POLISH EQUIVALENT, TRAVELING ON SERVICE PASSPORTS, PAID NO VISA FEE), EMBASSY GAVE ONE-MONTH'S NOTICE TO GOP IN NOTE TO MFA, AND ON MARCH 11 BEGAN CHARGING EQUIVALENT FEES IN ZLOTYS TO POLES. WE HAVE REITERATED OUR WILLINGNESS TO ELIMINATE, OR REDUCE, ALL NIV FEES ON RECIPROCAL BASIS. ALTHOUGH GOP RECENTLY PUBLISHED NOW GENERAL VISA FEE SCHEDULE WHICH REDUCES SINGLE-ENTRY FEE TO \$10 (WHILE INCREASING MULTIPLE-ENTRY FEE FROM \$21 TO \$31), MFA OFFICIALS HAVE SAID THAT PROPOSAL FOR RECIPROCAL REDUCTION OR ELIMINATION CAUSES DIFFICULTIES FOR THEM SINCE IT WOULD CREATE SPECIAL ARRANGEMENT. WE NOTE, HOWEVER, THAT GOP ALREADY HAS SPECIAL ARRANGEMENTS WITH CERTAIN COUNTRIES, SUCH AS THE NO-VISA AGREEMENT WITH AUSTRIA.

(B) ELIMINATION OR REDUCTION OF POLISH EXIT FEES FOR POLISH EMPLOYEES OF U.S. OFFICES IN POLAND.

(C) PERMISSION TO USE LOCALLY GENERATED CURRENCY TO PAY RENTS INCURRED BY U.S. COMPANIES IN POLAND. (FYI. THIS POINT REMAINS ACADEMIC THUS FAR SINCE NO ACCREDITED U.S. COMPANY HAS YET APPLIED FOR MINISTRY OF FINANCE PERMISSION TO USE GENERATED LOCAL CURRENCY. HOWEVER, SWINDELL-DRESSLER IS TO RECEIVE PORTION OF ITS PAYMENT FOR CONSTRUCTION OF TURN-KEY FOUNDRY IN ZLOTYS AND THEREFORE THIS COULD BE OF INTEREST TO THEM.)

(D) EMPLOYMENT OF POLISH NATIONALS. SOME OF ACCREDITED OFFICES HERE ARE CONTINUING TO HAVE DIFFICULTY IN FINDING QUALIFIED POLISH STAFF AND IN OBTAINING NECESSARY GOP APPROVAL TO HIRE THEM. BAN ON EMPLOYMENT LIMITED OFFICIAL USE

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PAGE 04 WARSAW 01386 131536Z

ADVERTISING IN WARSAW PRESS IS EXPECTED TO CONTINUE UNTIL MID-1974 AT LEAST. FURTHERMORE, WHEN COMPANIES DO FIND CANDIDATES, IT SEEMS TO REQUIRE CONSIDERABLE TIME FOR ACTION TO BE TAKEN ON THE REQUESTS FOR EMPLOYMENT APPROVAL WHICH MUST BE SUBMITTED THROUGH MFT. ALTHOUGH IT WAS STRESSED BY POLISH SIDE DURING MARCH 1973 WORKING GROUP SESSION THAT EMPLOYMENT REQUESTS WOULD BE REJECTED ONLY IN RARE INSTANCES, WE ARE AWARE THAT THIS HAS OCCURRED AT LEAST THREE TIMES FOR U.S. FIRMS (FOR CANDIDATES OF DOW AND HEWLETT-PACKARD). THIS SEEMS TO BE FAIRLY HIGH PROPORTION OF TOTAL NUMBER OF CANDIDATES FOR EMPLOYMENT IN U.S. ACCREDITED OFFICES. (FYI. IN ADDITION TO THESE CASES, MONSANTO GOT DECIDEDLY NEGATIVE INITIAL REACTION FROM LEGAL-ORGANIZATIONAL DEPARTMENT OF MFT WHEN COMPANY DESCRIBED ITS PLANS TO APPOINT ITS PRESENT REPRESENTATIVE

AT TIMEX COMMERCIAL AGENCY AS HEAD OF MONSANTO TECHNICAL
OFFICE.) THE AMBASSADOR RAISED THIS OVERALL PROBLEM WITH
MINISTER OLECHOWSKI DURING MEETING ON MARCH 4, NOTING
THAT WHILE THERE MAY BE PERFECTLY VALID REASONS FOR
REFUSAL OF EMPLOYMENT REQUESTS FROM THE
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